

ANNUAL DISCLOSURE REPORT

YEAR ENDING JUNE 30, 2013

CITY OF RIVERSIDE ELECTRIC PUBLIC UTILITIES

**2013 SERIES A ELECTRIC REFUNDING REVENUE BONDS \$79,080,000
2013 SERIES B ELECTRIC TAXABLE REVENUE BONDS \$780,000**

BONDS DATED July 25, 2013

**CUSIP NUMBERS 768874SS9 Through 768874TP4
CUSIP NUMBERS 768874TQ2**

Prepared by
City of Riverside

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RIVERSIDE PUBLIC UTILITIES

CONTINUING DISCLOSURE INFORMATION – 2013 A and B ELECTRIC BONDS \$79,860,000
FISCAL YEAR ENDED JUNE 30, 2013

CONTINUING DISCLOSURE CERTIFICATE - SECTION 4 - Contents of Annual Report.

- (i). Enclosed is the City of Riverside CAFR and Electric Utility 2012/13 Audited Financial Statements
- (ii). The principal amount of the 2013 A and B Bonds outstanding at June 30, 2013 was \$0.
Bonds issued in July 2013. Principal amount is \$79,860,000.

(iii) Annual Electricity Supply

| Resource | MWh | Percentage |
|--|-----------|------------|
| IPP Generating Station | 754,900 | 32% |
| Firm Contracts (Deseret, BPA, and others) | 937,500 | 40% |
| SONGS | 0 | 0% |
| PVNGS | 102,300 | 4% |
| Hoover Upgrading Project | 32,500 | 1% |
| RERC/Springs/Clearwater Generating Project | 107,200 | 5% |
| Renewable Resources | 444,300 | 19% |
| Net Exchange In/(Out) | (39,100) | (1%) |
| Total | 2,339,600 | 100% |

(iv) Total Energy Generated and Purchased and Peak Demand

| | |
|---------------------------|-----------|
| From Own Generation (MWh) | 108,700 |
| From Other Sources (MWh) | 2,230,900 |
| System Total (MWh) | 2,339,600 |
| System Native Load (MWh) | 2,179,000 |
| System Peak Demand (MW) | 591.69 |

(v) Electric System Facilities

| | |
|---|----------------|
| Utility Plant (less accumulated depreciation) | \$ 625,545,000 |
| Construction in Progress | 53,502,000 |
| Distribution | |
| Overhead Circuit Miles | 513 |
| Underground Circuit Miles | 810 |

(vi) Number of Metered Customers

| | |
|---------------------|----------------|
| Residential | 96,207 |
| Commercial | 10,337 |
| Industrial | 894 |
| Other | 87 |
| Total - All Classes | <u>107,525</u> |

(vi) Energy Sold (millions of kWh)

| | |
|----------------|--------------|
| Residential | 726 |
| Commercial | 419 |
| Industrial | 1,003 |
| Wholesale | 14 |
| Other | 31 |
| Total kWh sold | <u>2,193</u> |

(viii) City Council approved a 4-year rate increase on December 1, 2006, and December 4, 2007, respectively as follows:

| <u>Effective Date</u> | <u>Overall System</u> | <u>Residential</u> | <u>Commercial</u> | <u>Industrial</u> |
|-----------------------|-----------------------|--------------------|-------------------|-------------------|
| January 1, 2007 | 3.5% | 2.1% | 5.2% | 4.7% |
| January 1, 2008 | 10.0% | 13.5% | 10.5% | 8.9% |
| January 1, 2009 | 3.6% | 3.7% | 5.2% | 2.8% |
| January 1, 2010 | 5.8% | 8.6% | 4.8% | 5.4% |

(ix) Revenues From Sales of Electricity (in thousands)

| | |
|--------------|-------------------|
| Residential | \$ 118,173 |
| Commercial | 66,632 |
| Industrial | 110,680 |
| Other sales | 5,712 |
| Wholesale | 638 |
| Transmission | 32,688 |
| Total | <u>\$ 334,523</u> |

(x) Average Billing Price (Cents Per kWh)

| | |
|--------------------------------|------|
| Residential | 16.3 |
| Commercial | 15.9 |
| Industrial | 11.0 |
| Other | 18.4 |
| Average - All Classes Combined | 13.8 |

(xi) Outstanding Debt of Joint Powers Agencies (In Thousands)

| | Principal Amount of Outstanding Debt | % | City of Riverside Electric Public Utilities Share |
|--|---|--------|---|
| IPA | | | |
| Intermountain Power Project ⁽¹⁾ | \$ 1,848,701 | 7.617% | \$ 140,816 |
| SCPPA ⁽¹⁾ | | | |
| Palo Verde | 58,440 | 5.4% | 3,156 |
| STS | 757,645 | 10.2% | 77,280 |
| Hoover Dam | 9,685 | 31.9% | 3,090 |
| Mead-Phoenix | 44,895 | 4.0% | 1,796 |
| Mead-Adelanto | 143,990 | 13.5% | 19,439 |
| | <u>\$ 2,863,356</u> | | <u>\$ 245,577</u> |

⁽¹⁾ Total before unamortized bond discount/premium and refunding charge.

(xii) Summary of Operations and Debt Service Coverage (in thousands)

| | |
|--|--------------------------|
| Operating revenues | |
| Residential | \$ 118,173 |
| Commercial | 66,632 |
| Industrial | 110,680 |
| Other sales | 5,712 |
| Wholesale | 638 |
| Transmission | 32,688 |
| Other operating revenue | 4,486 |
| Total operating revenues, before (reserve)/recovery | 339,009 |
| Reserve for uncollectible, net of recovery | (959) |
| Total operating revenues, net of (reserve)/recovery | <u>\$ 338,050</u> |
| Investment income | 3,060 |
| Contributions in aid | 3,557 |
| Non-Operating revenues | 3,520 |
| Total revenues | <u><u>\$ 348,187</u></u> |
| Operating expenses | |
| Nuclear production (excludes nuclear fuel burn) | \$ 15,987 |
| Purchased power (excludes amortization of prepaid power) | 115,472 |
| Transmission expense | 45,957 |
| Distribution expenses | 13,730 |
| Customer account expenses | 6,978 |
| Customer service expenses | 2,089 |
| Administration & general expenses | 15,180 |
| Clearing & Miscellaneous expenses | 11,604 |
| Total expenses | <u><u>\$ 226,997</u></u> |
| Net Operating Revenues Available for Debt Service and Depreciation | <u><u>\$ 121,190</u></u> |
| Debt Service Requirements on bonds | \$ 44,426 |
| Debt Service Coverage | 2.73 |

CONTINUING DISCLOSURE CERTIFICATE - SECTION 5 - Reporting of Notice Events

There has been no occurrence of the following notice events with respect to the 2013 ELECTRIC REVENUE BONDS, SERIES A and B \$79,860,000.

1. Principal and interest payment delinquencies.
2. Non-payment related defaults, if material.
3. Unscheduled draws on debt service reserves reflecting financial difficulties.
4. Unscheduled draws on credit enhancements reflecting financial difficulties.
5. Substitution of the credit or liquidity providers or their failure to perform.
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds.
7. Modification to rights of Bondholders, if material.
8. Bond calls, if material, and tender offers.
9. Defeasances.
10. Release, substitution, or sale of property securing repayment of the Bonds, if material.
11. Rating changes.
12. Bankruptcy, insolvency, receivership or similar event of the City.
13. The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.